

Clothing Costs



This factsheet is designed to explain the rules that make Clothing an allowable expense, with no benefit in kind on the employee, along with what does not count as an allowable expense.

Provided the clothing meets one of the following criteria then the clothing should be an allowable cost without a benefit in kind arising:

- Necessary protective clothing or
- A uniform that can only be worn at work for carrying out their duties for example, a jacket bearing your business logo

For clothing to be deemed as 'necessary protective clothing' it must be needed as a matter of physical necessity due to the nature of the job being carried out i.e. a hard hat and steel toe capped boots when working on a construction site or overalls and protective gloves, for example.

For clothing to be deemed as a uniform the revenue usually goes on the basis of 'whether someone wearing the clothing would be recognisable in the street as wearing a uniform' such as doctors and nurses.

Clothing would not constitute a uniform simply because it is warm or cool or looks smart, so just because you need to go to work in a suit does not make this an allowable expense. If a suit was provided a benefit in kind would arise.

If clothing is provided where it does not fall within the tax free exemption, as detailed above, then it will be treated as a benefit in kind which will result in additional tax and national insurance liabilities.

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